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RETURN

To an Address from the Legislative Assembly, to His Excellency the Governor General, dated the 20th April, 1863, praying His Excellency to cause to be laid before the House, "Copies of all communications made to any Member of the Government,—of any report or reports made by any Member to His Excellency in Council,—of any communication to or from the Imperial Government, and all Orders in Council passed in relation to the opening of a route to Red River, or to British Columbia and the Pacific, since the last Session of Parliament."

By command.

A. J. FERGUSSON BLAIR,
Secretary.

Secretary's Office,
Quebec, 21st September, 1863:

COPY of a Report of a Committee of the Honorable the Executive Council, approved by His Excellency the Governor General in Council, on the 24th April, 1862.

In reference to the recent correspondence between the Provincial Government and the Governor of the Hudson's Bay Territory on the subject of the proposed overland communication with British Columbia, the committee respectfully advise that copy of the same be transmitted by Your Excellency to His Grace the Secretary of State for the Colonies.

(Certified.)

WM. H. LEE, C.E.C.

[Copy.]

PROVINCIAL SECRETARY'S OFFICE,
Quebec, 15th April, 1862.

SIR,—The Government of Canada have had their attention very strongly directed to the important subject of an overland communication with British Columbia through the Hudson's Bay Territory, *via* the Red River, and I am now commanded by His Excellency the Governor General to inform you of the steps proposed towards effecting this object, and to seek the co-operation of the Hudson's Bay Company therein.

The Canadian Government do not wish at present to raise any question as to the rights of the Company, who must be regarded as, *de facto*, in possession of the country intervening between Canada and British Columbia. They consider that most important public interests demand the establishment of a practicable line of communication across the continent, and they desire to have the practical aid of your Company in carrying it into effect.

Arrangements were made within the last four years for postal service with Red River, but the want of territorial rights at Red River and along the greater part of the route defeated the plans of the Canadian Government, and, after a very considerable outlay, the line had to be abandoned. Another effort is now being made in the same direction, and,

as the Hudson's Bay Company claims the right of territory and government over this region, it is hoped they will also assume their correlative duties, and unite with Canada in opening up the country.

The Canadian Government are about to establish steam communication with Fort William on Lake Superior, immediately: a large tract of land at this point has been surveyed, and a Crown Land Agent has recently been appointed to reside there: appropriations have been made by the legislature for roads towards Red River, on which free grants will be made to settlers, and every effort will be made to attract settlement—the ultimate object being the connection with the Red River and Saskatchewan. Canada is, therefore, now prepared to guarantee that, so far as her undisputed boundary extends, every facility will henceforward exist towards a communication with the west.

The Canadian Government cannot doubt that the Hudson's Bay Company are fully alive to the vast importance of such a communication.

The recent gold discoveries on the Saskatchewan cannot fail to attract many adventurers, who must at present be principally drawn from the United States.

The Settlement of Red River itself has now its sole communication with Minnesota, and will naturally imbibe American principles and views, unless brought in connection with the British settlements east and west. Canada must look with some apprehension to the probable result that, in a very few years, the population lying to her west, will be wholly foreign, and that [unless facilities for settlement be afforded from Canada equal to those enjoyed from the United States, and unless efficient civil government be speedily established] British rule over this part of the continent will virtually have passed away, and the key of the trade to British Columbia, and ultimately China, have been surrendered to our rivals. The Hudson's Bay Company cannot desire a result that would equally militate against their own interests, and the Canadian Government, therefore, hopes for their hearty co-operation in the opening of the Red River and Saskatchewan Territories by a communication from Canada to British Columbia.

The Government of Canada considers that, in connection with the means of transport across the continent, a telegraphic communication should be established as especially necessary for imperial interests, inasmuch as both the United States and Russia possess telegraphic lines to the Pacific, while Great Britain has no other mode of doing so but through the Hudson's Bay Territory. Recent events have proved the paramount importance of such a line.

Leaving untouched, therefore, all disputed questions, I am commanded by His Excellency the Governor General to state, that the Canadian Government have decided at once to establish steam and stage communication to the extreme limit of the territory under their government, and are ready to unite with the Hudson's Bay Company in a mail service and post route to British Columbia.

The Canadian Government is also prepared to guarantee the construction of a telegraph line to the extreme western limits of the province.

I request that you will inform me how far you will be prepared to act for the Hudson's Bay Company in carrying out objects of such great national importance, and which cannot be long delayed without the most serious injury to the interests of the empire, and especially to the future progress and security of Canada.

I have, &c.,

(Signed,)

G. ALLEYN.

Alexander G. Dallas, Esquire,
Governor in Chief of Rupert's Land,
Montreal.

[Copy.]

MONTREAL, 16th April, 1862.

SIR,—I have the honor to acknowledge receipt of the important communication which you have addressed to me by command of His Excellency the Governor General, under date of the 15th instant, wherein you intimate the desire of the Government of Canada to

establish an overland communication with British Columbia through the Hudson's Bay Territory, as well as the steps proposed towards effecting that object; and further request the co-operation of the Hudson's Bay Company therein.

After stating that the Government of Canada, regarding the company as *de facto* in possession of the intervening territories, does not wish to raise any question as to its rights; you proceed to point out the great public interests which are involved by the formation of a chain of settlements, connecting Canada with British Columbia, by postal and telegraphic services, the paramount importance of which is proved by recent events. You also point out the danger of the Red River Settlement, from its close connection with Minnesota, consequent on its isolated position with regard to Canada, becoming imbued with American principles and views, and passing away from us to our rivals; thus depriving the country of the key of the trade to British Columbia, and ultimately to China.

While fully admitting the force of the above arguments, and the immediate necessity of some arrangements being come to, I am reluctantly compelled to admit my inability to meet the Government of Canada in this forward movement, for the following reasons:—

First—The Red River and Saskatchewan valleys, though not in themselves fur-bearing districts, are the sources from whence the main supplies of winter food are procured for the northern posts, from the produce of the buffalo hunts. A chain of settlements through these valleys would not only deprive the company of the above vital resource, but would indirectly in many other ways so interfere with their northern trade as to render it no longer worth prosecuting on an extended scale. It would necessarily be divided into various channels, possibly to the public benefit, but the company could no longer exist on its present footing.

The above reasons against a partial surrender of our territories may not appear sufficiently obvious to parties not conversant with the trade or the country; but my knowledge of both, based on personal experience, and from other sources open to me, point to the conclusion that partial concessions of the districts which must necessarily be alienated, would inevitably lead to the extinction of the company.

Second—Granting that the company were willing to sacrifice its trading interests, the very act would deprive it of the means to carry out the proposed measures. There is no source of revenue to meet the most ordinary expenditure, and even under present circumstances, the company has practically no power to raise one. The co-operation proposed, in calling on the company to perform its correlative duties, pre-supposed it to stand on an equal footing with Canada.

It is not to be supposed that the Crown would grant more extensive powers to the company than those conveyed by the charter. If any change be made, it is presumed that direct administration by the Crown would be resorted to, as the only measure likely to give public satisfaction.

Not having anticipated the present question, I am without instructions from the Board of Directors in London for my guidance. I believe I am, however, safe in stating my conviction, that the company will be willing to meet the wishes of the country at large by consenting to an equitable arrangement for the surrender of all the rights conveyed by the charter.

I shall by the next mail forward copies of this correspondence to the Board of Directors in London, who will thus be prepared, in the event of the subject being referred to Her Majesty's Secretary of State for the Colonies.

I may state that it is my intention to make immediate arrangements at the existing settlement of Red River, for the sale of land, on easy terms, free from any restrictions of trade. It would, I believe, be impolitic to make any distinction between British subjects and foreigners. The infusion of a British element must be left to the effects of a closer connexion and identity of interests with Canada and the mother country.

I have the honor to be, sir,

Your most obedient servant,

(Signed,)

A. G. DALLAS

The Honble. Charles Alleyne,
Provincial Secretary,

Ed., Ed., Ed.

[Copy—Canada—No. 124.]

DOWNING STREET, 8rd June, 1862.

My LORD,—I have the honor to acknowledge the receipt of your Lordship's despatch, 19th May. No. 79, of the 25th of April last, and to transmit to you for your information, a copy of a letter from the Hudson's Bay Company (received at this department a few days after your despatch reached me) on the subject of establishing postal and telegraphic communication through the company's territory, between Canada and British Columbia.

Although it is not in the power of Her Majesty's Government to grant assistance from Imperial funds for carrying out the object which the Canadian Government has in view, there would be every desire on their part to co-operate in any well-devised scheme for effecting this important communication across the American continent.

As a possible preliminary to such an undertaking I would direct your Lordship's attention to the facilities for the acquisition of land which the Hudson's Bay Company announce their intention of offering to settlers proceeding to the Red River.

I have, &c.,

(Signed,)

NEWCASTLE.

Governor The Viscount MONK,
&c., &c., &c.

[Copy.]

HUDSON'S BAY HOUSE,
London, May 9th, 1862.

My LORD DUKE,—I have the honor to enclose, for your Grace's information, copy of a correspondence that has passed between Mr. Charles Alleyn, Secretary to the Government of Canada, and Mr. Dallas, who has lately succeeded Sir George Simpson in the Government of the Hudson's Bay Territory, in North America, on the subject of a proposed road and line of telegraphic communication between Canada and the gold regions of British Columbia.

I take the liberty of forwarding this correspondence to your Grace, because my colleagues agree with me that any negotiation on the subject should be carried on, not with the Colonial authorities, but with Her Majesty's Government in this country.

The Canadian Government propose, in the first instance, to establish steam communication on Lake Superior, and to open up roads from Fort William in the direction of Red River, and they appear to consider that it is the duty of the Hudson's Bay Company to undertake the further prosecution of the work through their territories. Of course there is no difficulty as far as steamers on Lake Superior are concerned, but between Fort William and the heights of land the natural difficulties of the country will make road making a very expensive business, while the soil, which consists chiefly of rock and swamps, will offer no inducement to settlers, even if they obtain the land for nothing.

Within the last few years, a considerable sum of money has been granted and expended by the Canadian Government for the purpose of opening this route, but I am not aware that there has been any practical result.

Beyond Red River to the base of the Rocky Mountains, the line will pass through a vast desert, in some places without food or water, exposed to the incursions of roving bands of Indians, and entirely destitute of any means of subsistence for emigrants, save herds of Buffalo, which roam at large through the plains, and whose presence on any particular portion of these prairies can never be reckoned on. These again are followed up by Indians in pursuit of food, whose hostility will expose travellers to the greatest danger.

With regard to the establishment of a telegraphic communication, it is scarcely necessary to point at the prairie fires, the depredation of natives and the general chapter of accidents, as presenting almost insurmountable obstacles to its success.

I have thought it my duty thus slightly to sketch the difficulties in the way of the enterprise, the subject of the correspondence which I have brought under your Grace's notice; but if it be thought that the interests of Canada and British Columbia, or of this

country, require that the experiment should be made, the Hudson's Bay Company will most readily acquiesce in the decision of Her Majesty's Government. At the same time it is my duty to state that in justice to our proprietors, the Directors of the Hudson's Bay Company cannot risk their capital in doubtful undertakings of this description, spread over such vast distances; through a country where the means of maintaining them, if once made, will lead to an expenditure scarcely to be contemplated. Although, therefore, the Directors, on behalf of the Company, are ready to lend Her Majesty's Government all the moral support and assistance in their power, it must be distinctly understood that the company have no means at their disposal beyond those employed in carrying on their trade, and cannot consequently undertake any outlay in connexion with the schemes suggested by the Canadian Government.

I think it may not be improper to take this opportunity of referring your Grace to former communications between the Hudson's Bay Company and the Colonial office on the subject of settlement in their territories.

The company have always expressed their willingness to surrender the whole or any part of the territorial rights upon terms that would secure fair compensation to the proprietors, as well as to the officers and employés in the country.

The Governor at Red River colony has instructions to make grants of land to settlers on easy conditions without any restriction as to the company's right of exclusive trade, and if Her Majesty's Government, with reference to the interests of the public, consider more extensive plans for the improvement of the country expedient, the Directors of the Company will be quite ready to entertain them with the desire to meet the wishes of Her Majesty's Government in any manner not inconsistent with the vested rights of the constituents.

I am, &c.,

(Signed,)

W. BERENS,
Governor.

His Grace the Duke of Newcastle, K. G.,
&c., &c., &c.

No. 1. W. McD. Dawson, Esquire, M.P.P., to the Hon. M. H. Foley,
15th Sept. 1862. Postmaster General, renewing proposals for opening the route to the Red River Settlement and British Columbia.

No. 2. Report of the Postmaster General, to His Excellency in Council, res-
17th Oct. 1862. pecting the establishment of postal and telegraphic communication from Canada to the Red River and British Columbia.

No. 3. Order in Council approving suggestions made by the Postmaster
9th Feby. 1863. General, in Report of 17th October, 1862, and advising appropriation of \$50,000 for carrying out aforesaid recommendation.

No. 4. Lewis Moffatt, Esquire, to the Hon. M. H. Foley, urging a considera-
Feb. 7, 1863. tion of the claim of the "Rescue" Company.

No. 5. Memo. from the Deputy Postmaster General upon the claim of the
25th Aug. 1863. "Rescue" Company.

No. 6. Report from the Postmaster General to His Excellency in Council,
2nd Sept. 1863. upon the claim of the "Rescue" Company.

No. 7. Order in Council approving Postmaster General's Report of 2nd Sept.
8th Sept. 1863. 1863. Appended to this Order is the acceptance of Mr. Moffatt (through his attorney, Mr. Dawson,) of the terms and conditions therein specified.

No. 1.

QUEBEC, 15th Sept., 1862.

SIR,—I have the honor to bring, through you, under the notice of the Government, on behalf of the gentlemen with and for whom I have heretofore acted in the matter, a renewal of the proposals for opening the route to the Red River Settlement and British Columbia.

I may remark briefly at the outset that if the matter is put in a tangible and proper shape, I have reason to believe that substantial aid can be obtained from the British Government in furtherance of the project.

In January 1859, I laid the matter before the then Colonial Secretary, Sir E. B. Lytton, proposing an Imperial subsidy of £40,000 per annum for carrying the mails to the Pacific. My plan was approved by Sir Edward, and recommended by him, but a change of Government took place before any action had been taken.

Without entering into a detail of all the occurrences of that period, I would now beg to take the matter into consideration on the merits of an Order in Council of the Canadian Government, of 7th December 1859, on the basis of which I now desire to press the matter, convinced as I am that if accompanied with proper representations from the Government of Canada, success would be thereby insured.

In obtaining that Order in Council I had come to the conclusion that it was better, under the circumstances of the time, to proceed with the project in parts, and therefore obtained, as a commencement, the promise therein contained, of a postal subsidy of £5,000 for the link of the route extending to Red River. I did not consider this sum alone sufficient for the service stipulated for, without some material aid from the Imperial Government also, and with this view, in January, 1860, I brought the matter under the notice of His Grace the Duke of Newcastle, the Colonial Minister, and from him, as from his predecessor, obtained the most complete approval of my plans, as evidenced by his speech in the House of Lords, on 13th February, 1860.

I obtained from His Grace a promise of co-operation and aid, although, on account of the sitting of a Committee of the House of Commons, at that time, on the question of subsidies, he was unable to say what specification he would be prepared to take; and it was therefore understood that as I had immediately to attend the then approaching session of the Canadian Parliament, I should afterwards return to England to come to some definite understanding.

I have now only to state, on this head, that a misunderstanding with the government here—the details of which are already before the Executive—precluded any favorable action being taken then, or since then. At the same time, I have reason to believe that His Grace the Colonial Secretary is even more favorably disposed towards co-operation and aid now than he was at that time. I can perceive, however, that there is a desire on his part that the enterprise should be taken up at once in *one project* through Canada to the boundary of British Columbia, leaving it to be dealt with as a separate project from thence to the Pacific.

Over this extent, therefore, a subsidy of £10,000 would be equivalent to the £5000 already promised for the link of the route extending to Red River, and on this basis I would propose that the action of the government should be taken. I do not deem this sufficient for the service proposed, but I believe that it will induce the imperial authorities to do their part, and thereby secure the construction of the route. The only difference I would propose, taking the Order in Council of 7th December, 1859, as a basis, would be that the amount should be sterling instead of currency. The whole would be, of course, conditional, as per the Order in Council already quoted, on the raising of the capital and performance of the service.

I would therefore propose—

First—That an Order in Council be passed, providing that £10,000 per annum, *stg.*, be appropriated for mail service to British Columbia; the service to Red River to be performed as specified in the Order in Council of 7th December, 1859, and thence to the boundary of British Columbia, to the satisfaction of the Postmaster General, it being as yet impossible to specify the time with the same accuracy for that part.

Second—The money for the construction of the route to be drawn from the bank in which it may be deposited only upon progress estimates of work done, certified by such officer as may be appointed by the government for that purpose. (This will secure the confidence of those who may advance the money in England.)

Third.—A grant of lands to be made to the parties embarking in the undertaking consisting of blocks, alternating with blocks of equal size to be reserved by the government along the route; but that where the lands are absolutely unfit for settlement, the extent found worthless be made good elsewhere.

Fourth.—These lands to be gradually sold under regulations to be approved by the Governor in Council, and the proceeds placed in a sinking fund for the redemption of the money expended on the construction of the route.

Fifth.—The lands to be thus granted by Canada, so far as her boundary may ultimately be decided to extend, and a recommendation to be made to the Imperial Government that in any disposition of territory on the route that may be decided not to be within the boundaries of Canada, the same appropriation of lands be provided for under the same conditions.

Sixth.—That a despatch be written to the Imperial Government intimating the action taken, and urging such co-operation and aid as may be found necessary to induce capitalists in England to provide the means for carrying the enterprise to a successful issue.

I may remark in conclusion that it is one of the first duties of a government to provide postal facilities for its subjects. There are now many from the British Islands at the Mines in British Columbia, and it is easier to make means of communication with them through Canada than from the Pacific. There are also many Canadians there, and it is consequently the duty of both governments to co-operate in supplying mail facilities which must, at the same time, become facilities for travel, for trade, and for settlement.

I have, &c.,
(Signed,)

WM. McD. DAWSON.

The Hon. M. H. FOLEY,
&c., &c., &c.

No. 2

POST OFFICE DEPARTMENT,
17th October, 1862.

Referring to the correspondence had with His Grace the Duke of Newcastle, the Canadian Government, and certain of the officers of the Hudson's Bay Company, with reference to the establishment of postal and telegraphic communication through the company's territories, so called, between Canada and British Columbia, and to his report of 31st of July last, on the subject of postal communication with the North-West, the undersigned has the honor to submit for the consideration of His Excellency the Governor General in Council, as follows :—

The circumstances which for some years past have indicated the expediency of opening up communications westward from Lake Superior derive, in the judgment of the undersigned, additional importance from the recent and continuous intercourse with British Columbia, consequent upon the discoveries there of valuable gold fields; whilst the reported existence of the same precious metal in the fertile valley of the Saskatchewan, has had the effect of awakening a yet deeper interest in what in Canada is popularly known as the Red River country. Under so powerful an impulse, a rapid stream of emigration has set towards the Pacific, which gives indications of indefinite expansion in view of the encouraging reports which are constantly received of the richness of the mines and the value of the country as a field for settlement. The shortest and most natural route to these inviting territories lies through the St. Lawrence and its chain of tributary lakes; but owing to the want of facilities for transit beyond the head of Lake Superior, persons destined for the western settlements necessarily make the voyage by sea, or accomplish the first stage in the land journey—Fort Garry on the Red River—by way of Minnesota and Dakota. Thus it may in truth be said that the people of the neighboring states hold the key to the British possessions in the west, and while by this means their wild lands are being settled and improved, ours, lying immediately adjacent and quite as well fitted for cultivation, remain a mere hunting ground for the sole benefit and advantage of a company of traders whose object it is to keep them a wilderness productive only of game, and who, to this end, do all in their power to divert into foreign channels, to the promotion of alien interests, the commerce carried on by them with the outside world.

In the judgment of the undersigned, the time has arrived when more decisive and effective means than have yet been put forth should be employed in opening up the per-

fecting the communication westward from Lake Superior through British territory. Out off from intercourse with their fellow-subjects, except on condition of submitting to the inconveniences, the losses, and the numerous vexations of a circuitous journey through a foreign country, and which, on the occurrence of difficulty, would be closed to them, or but afford facility for their invasion, and, under the circumstances, all but certain conquest, the people of the Red River Settlement have for many years past been loud in their expressions of dissatisfaction. Minnesota, and not Canada, is, from imperious necessity, the emporium of their trade; the chief recent additions to their population are from the United States, and their sympathies, in spite of their wishes, are being drawn into a channel leading in an opposite direction from that of the source of their allegiance. In a word, the central link in the chain of settlements which should connect Canada with British Columbia is being rapidly Americanized, and, unless a prompt effort be made to advance British interests in that direction, there is reason to fear that incalculable mischief will follow.

The tendencies which have in the main operated in keeping the North-Western country closed to the industrial enterprise of the British and Canadian people may be traced to the alleged obstacles in the way of the construction of practicable roads and the improvement of navigation. Recent explorations, however, prove these obstacles to have been greatly exaggerated. The expeditions of the Imperial and Canadian Governments demonstrate the entire feasibility of establishing communication for postal and telegraphic service at reasonable rates through the territories which the Hudson's Bay Company claim as being under their jurisdiction.

Starting from the head of Lake Superior, with which, during the summer months, constant intercourse is maintained by steamers, the route naturally divides itself into three sections, the first extending to the Red River settlement, the next stretching forward to the Rocky Mountains, and the third reaching thence to the Pacific. It may be advantageous briefly to consider the principal characteristics of each, in the order in which they are here presented.

Mr. Simon Dawson, who explored the first named section of the route in 1858, under the direction of the Provincial Government, describes that portion of it extending from Lake Superior to Lake Winnipeg, "as a hilly and broken country, intersected by rapid rivers and wide spread lakes. The mountains, however," he adds "do not rise to any great elevation except on the immediate borders of Lake Superior, and there are some fine alluvial valleys, the most extensive of which is that of Rainy River. The lakes and rivers," he goes on to say, "present long reaches of navigable water, the principal of which, extending from Fort Francis to the western extremity of Lake Plat, is 158 miles in length. Dense forests cover the whole of this region, and the most valuable kinds of wood are seen in various places and in considerable quantities." The most difficult and laborious part of the journey is the first, leading up to the "height of land" from Lake Superior. Before Mr. Dawson's exploration, the rocky, broken structure of the country by the Kaministiquia was thought to present an insuperable barrier to further extension, except at an immense expenditure; but his examinations led to the discovery of a good line from Thunder Bay to Dog Lake, by which the entire practicability of that part of the route was established. The country from the Lake of the Woods to Fort Garry is spoken of by the same authority as a region differing as widely as may be in its physical character from that which had previously been described. Although the distance across from the Lake of the Woods to Red River is but ninety miles, the country gradually undergoes a change for the better, until the prairie region is reached, about thirty miles East of Fort Garry. Hence, through the Red River settlement, by the valley of the Saskatchewan, to the base of the Rocky Mountains (forming the second section of the route) the country presents the same favorable characteristics of fertile prairie, thinly wooded here and there by clumps of timber.

Over this, by far the most extensive of the three divisions referred to, good natural roads, in constant use by the Red River settlers and the Hudson's Bay Company's employes, already exist; besides which the Saskatchewan River is reported, on good authority, to be navigable for steamboats from near its mouth, with but one short interruption, to the very foot of the mountains. The crossing of the Rocky Mountains has been objected to as one of the obstacles in the overland route; but that, too, has been proved by actual exploration to be much less formidable than it had been supposed; Captain Palliser, in his

report to the British Government, stating: "I am rejoiced to say that I have completely succeeded in discovering a pass practicable not only for horses, but one which, with but little expense, could be rendered available for carts also. This pass will connect the prairies of the Saskatchewan with Her Majesty's possessions on the west side of the Rocky Mountains." And further on, in the same report, speaking of another pass explored by Dr. Hector, who was attached to the expedition in a scientific capacity, Captain Palliser adds: "He found the facilities for crossing the mountains so great as to leave little doubt in his mind of the practicability of constructing even a railroad connecting the plains of the Saskatchewan with the opposite side of the main chain of the Rocky Mountains."

Dr. Hector himself, in his report, says: "The ascent to the watershed from the Saskatchewan, is hardly perceptible to the traveller, who is prepared for a tremendous climb by which to reach the dividing ridge of the Rocky Mountains, and no labour would be required, except that of hewing timber, to construct an easy road for carts, by which it might be attained."

Of the descent on the western slope of the mountains, he remarks: "A road for carts down the valley of Vermillion River from the height of land to the Kootamie River could be cleared without difficulty; for, supposing the road to follow a straight line along the river, and the descent to be uniform, which it almost is, the incline would only be forty feet in a mile, or 1 in 135." Other passes discovered indicate equal facilities.

With regard to the third or British Columbian section, as it appears from the views held by his Grace the Colonial Minister, that Canada would not be expected to participate in the construction of that part of the route, it is only necessary to say that its practicability has been satisfactorily proved. Captain Palliser, after giving all the details of his explorations west of the Rocky Mountains, claims as one of the results of the expedition under his command, "that we have succeeded in finding a way from Red River settlement across the Rocky Mountains to the mouth of Fraser River, entirely in British territory," and which, even in its wild state, he intimates to be "a route practicable for horses" throughout. And here it may not be inappropriate to remark that there is abundant reason for believing that the hearty co-operation of the people of British Columbia would be certain in any judicious effort to bring them into closer intercourse with their fellow North American colonists.

Of the prospective value of that intercourse, and as an indication of their anxious desire for the opening up of communication between their own colony and Canada, the undersigned, from numerous communications received by him on the subject, takes the liberty of quoting the following passage from a letter recently written him by a Canadian resident at New Westminster:

"We hope that you and your friends will not forget us here; but that your best efforts will be directed to the opening up of a communication with this country by means of an overland route, whereby a market might be secured for Canadian produce, of which the colonists here would most gladly avail themselves. I believe that Canada could supply the miners in the Cariboo district as cheaply, if not more cheaply, than they were able to get their supplies this summer. * * * * * This country would pay in treasure, the very thing you want; for just as soon provisions can be obtained here at a reasonable rate, say \$25 to \$30 per barrel for flour, there would at once be an immense extent of mining country opened up. * * * * * Canadians now exert a controlling influence here, and our great desire is to see a practicable road constructed between the Canadian and the British Columbian Provinces."

The availability then of a continuous route on British soil being established, the question arises as to its suitability for settlement. On this point there exists abundant favorable evidence. Speaking generally of the country from Lake Superior to Red River, Sir Alexander Mackenzie says: "There is not, perhaps, a finer country in the world for uncivilized man. * * * * * It abounds in everything necessary to the wants and comforts of such a people. Fish, venison, and fowl, with wild rice, are in great plenty." And more particularly specifying the central part of the same tract of country, Sir George Simpson, in his interesting work, "*A Journey Round the World*," says that the country between Lake of the Woods and Rainy Lake is most favorable to agriculture, resembling in some measure the Banks of the Thames near Richmond, and describing the water communication from Fort Francis downwards, he asks: "Is it too much for the eye of

philanthropy to discern, through the vista of futurity, this noble stream, connecting as it does the fertile shores of two spacious lakes, with crowded steamboats on its bosom, and populous towns on its banks?" Corroborative of this testimony is that of Sir Alexander Mackenzie, who, speaking of the same stream, says: "This is one of the finest rivers in the North-West. * * * Its banks are covered with a rich soil, particularly to the north, which in many parts are clothed with fine open groves of oak, with the maple, the pine, and the cedar." Of the country watered by the Red River and Lake Winnipeg, Mr. John McLean says: "Red River rises in swamps and small lakes in the distant plains of the south, and after receiving a number of tributary streams, that serve to fertilize and beautify as fine a tract of land as the world possesses, discharges itself into the eastern extremity of Lake Winnipeg, in latitude fifty. The climate is much the same as in the midland districts of Canada; the river is generally frozen across about the beginning of November, and open about the beginning of April. The soil along the banks of the river is of the richest vegetable mould, and of so great a depth that crops of wheat are produced for several years without the application of manure. The banks produce oak, elm, maple, and ash. The woods extend rather more than a mile inland. The farms of the settlers are now nearly clear of wood. An open plain succeeds of from four to six miles in breadth, affording excellent pasture. Woods and plains alternate afterwards, until you reach the boundless prairie."

In another place the same writer says: "Thus it happens that the Red River farmer finds a sure market for six or eight bushels of wheat, and no more. Where he finds a market for the remainder of his produce, heaven only knows. I do know this much, however, that the incomparable advantages this country possesses are not only in a great measure lost to the inhabitants, but also to the world, so long as it remains under the dominion of its furtrading rulers. In the possession of, and subject to the immediate jurisdiction of the Crown, Assiniboine would become a great and flourishing colony, the centre of civilization and christianity to the surrounding tribes, who would be converted from hostile barbarians into a civilized and loyal people, and thus Great Britain would extend and establish her dominion in a portion of her empire that may be said to have been hitherto unknown to her, whilst she would open up a new field for the enterprise and industry of her sons." On this head there is much additional testimony; but two further quotations may suffice. One is an extract from an article published in May, 1860, in the newspaper established in the colony, by gentlemen from Canada, whose statements are entitled to the fullest credit:—"One farmer says, that last year he put down eight bushels of wheat on four acres of land, and got a return of 153 bushels: this was nineteen to one, and about 38 to the acre. Another says, he put down forty-three bushels on eighteen acres, and obtained 753 bushels: this is more than seventeen to one, and forty-two to the acre. A third put down sixteen bushels on eight acres, and had 401 of a return, making twenty-five to one, and fifty to the acre. Two others are as follows: seven bushels sown on four acres, yield 170 bushels, being twenty-four to one, and forty-two per acre. Again, six bushels sown on four acres, returned 180, which made thirty to one sown, and forty-five to the acre. The fields were accurately measured, and the facts and figures were carefully made out, and may be relied on." The other quotation is from the evidence of Colonel Crofton, before a Committee of the House of Commons:

Ques. 3,197. (Mr. Roebuck).—Can you tell me when the spring or summer there (in the Red River settlement) begins?—The season opens about the first week in April, and closes about the middle of November.

3,198.—That is about what occurs in Lower Canada?—I thought it was about that of Upper Canada; I may be wrong.

3,199.—Does the Summer season close as early as the middle of November?—The Summer season may be said to close in August, but the finest weather is what is called "the fall," which extends from August to the middle of November.

3,200.—When does the permanent snow fall?—It commences in the latter part of November, and is not off the ground until the first week in April.

3,201.—Had you an opportunity of seeing anything of agriculture while you were there?—A great deal.

3,202.—What sort of crops did they grow?—Oats, barley, and wheat, chiefly; but all sorts of vegetables.

3,203.—Did the wheat ripen?—In ninety days from sowing.

3,204.—It ripened very perfectly?—It was the finest wheat I ever saw.

3,205.—Was the soil fertile?—Along the immediate banks of the rivers, and extending for perhaps the breadth of two miles, no finer loamy soil could be seen, with a limestone foundation.

3,206.—Is it geologically limestone?—All.

3,207.—And wherever limestone is, there is fertile land—is there not?—I think that is the consequence.

3,208.—Do you know how far the limestone extends, looking at that map?—I have ascertained from servants of the Hudson's Bay Company that it extends, as a base of the whole prairie land, to the Rocky Mountains.

3,209.—So that in fact that part of the territory is fit for agriculture?—Quite so.

3,210.—And would make a good Colony?—It might maintain millions.

As to the Saskatchewan country, the richness of its soil and its adaptability for settlement are so well known and understood that it is unnecessary to dwell on them at so great length. This country is the favorite resort of vast herds of Buffalo—an unerring indication of the mildness of the climate and the fertility of the soil. Captain Palliser speaks of it as a partially wooded country, abounding in lakes and rich natural pasturage, in some parts rivaling the finest park scenery in England.

The bulk of the valuable trade of the Red River country is at present made tributary to the Western States. Penetrating through their own unsettled territory a distance of some hundreds of miles, the people of Minnesota have spared no exertion or expense to secure the large and profitable commerce of the Red River country beyond.

The returns have amply rewarded them for their outlay, and if more trading interests are considered as a sufficient compensation by the Minnesotians for opening up communication to the Red River (to them a foreign country), how much more ought the same considerations, when superadded to the many others of equal if not of yet higher importance, which apply in the case of Canada, to cause surprise in regard to our indecision and supineness in not long before stretching forth our communication so as to embrace a country presenting so many inviting features of interest.

The trade passing between the Red River settlement and the United States, even in the present condition of the North West, was stated by the Earl of Carnarvon in his place in the House of Lords to amount to no less than \$1,500,000, during the summer of 1859. Added to this, traffic to the amount of at least \$500,000 finds its way through the channels of the Hudson's Bay. Thus there is a commerce of about \$2,000,000 annually maintained with the North West, the greater portion of which, even supposing most of the country to continue under the control of the Hudson's Bay Company, would pass over the proposed new route attracted thither by the three combined requisites, cheapness of carriage, shortness of the road, and speed. Such being the trade of the country, whilst as yet but slightly improved from its natural state, who shall estimate its value when brought under the influences of advancing civilization, and made to administer to the wants of the millions we are assured of its capability of sustaining in comfort and affluence.

The undersigned respectfully submits that such a territory ought not to be permitted longer to remain under the sole control of the mere handful of traders, however powerful and influential, who have hitherto monopolized its rich resources, and for so many years barred out all others from a participation in its advantages. Sooner or later their hold upon those portions of it specially suitable to agriculture must be relaxed, and a movement, having for its object an end so desirable, is deserving of prompt and liberal encouragement.

In our proceedings hitherto we have been far too tardy. Our apparent indifference and unconcern have been taken advantage of by the Hudson's Bay Company to assert with continuously increasing pretension their claims to the entire territory, and to-day it may be said with truth that they feel themselves stronger than ever before in their claims to keep, if they choose, for all time to come, unsettled a vast region in every way suited to human habitation.

Without any suggestion at present as to legal title, it is sufficient that we are invited by his Grace the Duke of Newcastle to join in adopting means to effect the communication on this side to the summit of the pass of the Rocky Mountains, and that while in his

despatch of 3rd June last, he promised the co-operation of the Imperial Government, he afterwards intimated to the House of Lords, on the 4th July last, his hope "that when Parliament met next year he should be able to inform their Lordships that some progress had been made towards the establishment of postal communication between Canada on the one side and New Westminster on the other."

In the opinion of the undersigned, it is not only desirable but essential that advantage be taken of the present favorable disposition of the Imperial authorities.

The late administration, yielding to the pressure of public opinion, exhibited as well as professed a strong sense of the practical importance of opening up the first link of the route. To this end the subsidies were, from time to time, at their request, readily granted by Parliament; but for some cause or other, whether arising from difficulties occasioned by rival claimants for the performance of the service, or want of judgment in the parties immediately concerned in the application of the funds, or otherwise, it is not for the undersigned here to express an opinion: the means granted by the liberality of the Legislature for a good and useful purpose were worse than wasted, although during the first year, before partizan rivalry had been introduced, and when real efforts were directed to the solution of the question, as to the commercial advantages and the feasibility of the project, success beyond the expectation of the parties engaged was the actual result.

As to the difficulties suggested by the Hudson's Bay Company, through their officers, Governors Berens and Dallas, in the correspondence herein referred to, those gentlemen, in truth substantially, though evidently unwillingly, vindicate most strongly the views contended for by the advocates of improvement and colonization.

The first and second of these objections of Governor Berens as to the practicability of the route between Lake Superior and Red River, and the deduction to be drawn from the failure of the projects hitherto encouraged by the Canadian Government, are sufficiently met by what has gone before. His next statement establishes, in the judgment of the undersigned, the very reverse of the conclusions he arrives at, and one finds it difficult to account for his permitting himself to be involved in such manifest inconsistencies as are apparent on the very face of his statement.

Directly in contradiction of the well authenticated reports of others, among them Governor Dallas, who speaks of the Red River and Saskatchewan Countries as the sources of supply of the employés of the company. Governor Berens describes the country beyond the Red River to the base of the Rocky Mountains as "a vast desert, in some places without wood or water, exposed to the incursions of roving bands of Indians, and entirely destitute of any means of subsistence for emigrants, save herds of buffalo which roam at large through the plains, and whose presence on any particular portion of these prairies can never be reckoned on." "These again" he says, "are followed up by Indians in pursuit of food, (a good ground one would say for the buffalo not remaining all the time in the same particular places) whose hostility will expose travellers to the greatest dangers." One can well fancy precisely the same reasons being given by interested parties in any uncivilized country against its settlement. The Governor evidently loses sight of his design to prove the territory to be a vast desert when he adds to that terror those of the Indians and the buffalo.

The early settler in any part of America would tell him that the regions to which the Indians, as well as the buffalo and other wild animals most resorted, were those above all others the most fertile and fitted for cultivation, and just the sections most sought after by the pioneer anxious within the shortest possible period to make for himself, and those dependent upon him, a habitation, and to aid in conquering for his country with his axe, his spade, and his plough, fresh accessions and contributions to civilization and improvement. The Governor's next fear, namely, that the construction of telegraph lines would be useless because of the probability of their being burnt up, is just as groundless, as is apparent from the fact that over the boundless plains of California, and across the unsettled prairies of Illinois and other States, these almost indispensable accompaniments of civilization are in full, active, and undisturbed operation.

So with respect to the "depredations of the natives, and the general chapter of accidents." These are encountered in every new country, and are not in our day anything like such formidable obstacles as they have been in the past.

On Governor Berens' principle, the settlement of any portion of America was a grave mistake, for at some time or other, and at every place within its vast extent, precisely the same difficulties which he conjures up, in the shape of roving bands of Indians, wild animals, desolation by flood and fire and tomahawk, as well as a "general chapter of accidents," existed over them all. However, the unconquerable white race triumphed, and to its energy and self-sacrificing exertions and indomitable perseverance, the British and Canadian people are indebted for an inheritance such as Providence never before bestowed upon any race since the world began.

If they fail to improve their opportunities, the loss will be proportionate to the advantages otherwise certain of attainment.

Differing from Governor Berens, as well as to the facts as with respect to the style of objection, Governor Dallas puts the whole matter on its true ground when he refers to the Saskatchewan and the Red River countries as the sources whence the Hudson's Bay Company draw their supplies of food; and the simple question in view of his admission is as to whether or not these magnificent territories shall continue to be merely the source of supply for a few hundreds of the employés of a fur trading company, or the means of affording new and boundless contributions to civilization and commerce, whether they shall remain closed to the enterprise and industry of millions in order that the few may monopolize their treasures and keep them for all time to come, as the habitation of wild beasts and the trappers engaged in their pursuit. It is but necessary to add, that in point of distance, as well as in other respects, the Canadian route, with the facilities fully developed, would manifestly be the superior one.

From Toronto to Fort Garry, by way of St. Paul, or, as it is called, the Minnesota route, the distance is over 1500 miles; by the Lake Superior, or Canadian, 1114 miles. The former, in its unimproved state, was the more practicable, because of the nature of the soil, the evenness of surface, and comparative absence of woodland; but, with each equally improved, ours would be decidedly the more advantageous.

It rests with us to see that our advantages are not thrown away.

In July last the undersigned, considering an arrangement, the preliminaries of which had been agreed upon for the carrying of the mails to Fort William, to be at once improvident, and useless as regards the opening up of the territory, recommended its abrogation and the establishment of a temporary mail service for the season, pending further action of a more permanent character. In the report which he had then the honor to make, and which was adopted by his Excellency the Governor General in Council, the importance of aiding in the securing of the needed communication with the North-West Territories, was fully sanctioned. He now respectfully submits that to render effective the suggestions then so recognized, it is desirable that immediate steps should be taken to commence at the opening of navigation next year, a series of operations having for their object, first, the establishment of a regular mail service to the head of Lake Superior; and, secondly, the construction of roads and the improvement of the lakes and rivers thence westward towards British Columbia. From the best information obtainable on the subject, and which the undersigned believes to be wholly reliable, it is ascertained that a sum of £80,000 would be abundantly sufficient for the permanent opening up and establishment of efficient and continuous land and water communication to Red River from the head of Lake Superior.

Thence to the passes of the Rocky Mountains, it is estimated that an additional £100,000 would be amply adequate. Thus the whole expenditure, including steam service on Lake Superior, and on the navigable reaches beyond would certainly not exceed £200,000.

With reasonable encouragement from the Government, the undersigned feels justified in stating that no more than ordinary difficulty would be encountered in the obtainment of the necessary means; and he has no doubt whatever, from the repeated assurances of his Grace the Duke of Newcastle, speaking on behalf of the British Government, that from the Imperial authorities effective co-operation can be relied upon.

The question as to what is reasonably to be expected from Canada is that at present to be considered.

In view of all the facts and circumstances, and feeling that on our people it is the initiative in the matter rests—that it is to this Province the Imperial Government looks

for a commencement of the movement, a movement demanded alike from our patriotism and our interests—the undersigned considers himself fully justified in submitting that—unless the Government deem it expedient to proceed under the direction of the Honorable the Commissioner of Public Works—as soon as it can be satisfactorily shown that competent and responsible parties are prepared to assume the work, they should propose to Parliament the granting of an annual subsidy of \$50,000, or such other sum as his Excellency the Governor General in Council may deem judicious, for a term of years, towards the undertaking. Should the above suggestion for a subsidy be concurred in, the undersigned will be in a position to submit to his Excellency the Governor General in Council the details of such arrangements as it may be desirable to make with responsible parties willing to perform the service; but as the question of the construction of works, as well as that of carrying the mails, would be involved, it is expedient that the Honorable the Commissioner of Public Works should be associated with him for that purpose.

All of which is nevertheless respectfully submitted.

[Signed,]

M. H. FOLEY,
Postmaster General.

[Copy.]

No. 3.

Copy of a Report of a Committee of the Honorable the Executive Council, approved by His Excellency the Governor General in Council, on the 9th February, 1863.

The Committee having taken into consideration the Report of the Honorable the Postmaster General, on the expediency of opening up and better securing communication westward, towards British Columbia, through British territory, for a telegraphic and postal service, concur in the opinion expressed in that Report, as regards the advantage of securing such communication, and humbly advise that a sum of \$50,000 be placed in the Estimates of the approaching session, for the purpose of carrying out the same in the manner suggested in that Report, or in any other that may be deemed more advantageous.

Certified.

(Signed,)

WM. H. LEE, C.E.C.

The Hon. the Postmaster General,
&c., &c., &c.

[Copy.]

No. 4.

TORONTO, February, 1863.

SIR,—I would beg to call your earnest attention to a brief statement of facts relative to the enterprise in which, in conjunction with some other gentlemen of this city, I was induced under an agreement with the Government, to embark in 1858, for the opening of a route to Red River and the North West.

The circumstances and the documents in support thereof, are already in detail before the Executive Council, but, being somewhat voluminous, I am desirous of drawing your notice to the essential points which you will find sustained by the proofs already before you, and urging a speedy decision thereon.

The discussions which had for some time previous been going on, relative to the North West Territory, and the results of the first year's explorations carried on by the Government, led several gentlemen, of whom I was one, to wait upon the members of the Cabinet, for the purpose of ascertaining how far they would be disposed to aid in the maintenance of a line of communication for the purpose of establishing greater facilities for commercial intercourse with the upper lakes, and initiating the development of the North West by commencing a postal service to the Red River settlement.

The result of this interview was the Order of the 14th June, 1858.

That Order in Council was placed before us as an inducement to embark in the enterprise, and as a guarantee, so far as it went, against the risk of loss incident to such an experiment. No liberal construction of the document itself could possibly imply that the aid was only meant to be continued to the parties thus induced to run that risk for one season, or the balance then remaining of that season; on the contrary, it was perfectly understood that the first season would be one of outlay and arrangement, preliminary to the development of even the pioneer enterprise thus commenced.

Nevertheless, after \$10,000 had been appropriated by Parliament, in 1859, for continuing the service, for the carrying out of which all the expenses had already been incurred, the Government took means to take it out of our hands.

The service was not however, abandoned, which was the only contingency upon which our position could be ignored, but was put in the hands of a party who was not in a position to carry it out.

In the meantime, firmly standing by our rights acquired by virtue of the Order in Council and understanding of the previous year, we claimed to throw the steamboat and other stock purchased solely for this service, in fulfilment of the conditions of the above Order in Council, on the hands of the Government, unless restored to our original position through which we alone had, at the time, the means of promoting the public interest in this connection.

The result was that this position was absolutely, but (at the time) verbally acknowledged, and a new arrangement (verbal at the moment, but substantiated by subsequent documents) entered upon.

The new agreement was simply that we were to undertake the actual construction of works on the route west of Lake Superior, and also (as we had our own men on the route) that we were to carry a mail alternately with the new contractor to Red River. This latter part was not to interfere with the contractor's mail, but was to be in addition to it. It was further understood that for these services we were to receive the balance, not earned by the contractor, of the \$10,000 appropriated for that year, and that we would thus be left in possession of the route, and the existing contract being by that time out of the way—an enlarged arrangement would be made to enable us to organize a company to carry out the enterprise on a more extended scale. We did accordingly immediately commence works west of Lake Superior. We did carry a mail to Red River as required, and, in addition thereto, the contractor having utterly failed in the due performance of his contract, we took up and put through his mails which, for the most part, he abandoned at various points between Sault St. Marie and Red River; and we did receive, therefore, on account, the sum of \$8000.

In proof of these facts I beg to refer you to the account rendered in October, 1859 for work done amounting to \$10,622, on which \$6,000 was paid; and to the Order in Council of 12th January, 1860, and the explanatory letter on which it was based from myself and Mr. Dawson. These facts, thus proved, simply establish the origin and nature of our position and claims. The amounts actually due to us for the service thus performed and works commenced at the instance of the Government being a mere question of account which we are willing to submit to any proper test.

In the Spring of 1860, (the initiatory part of the new arrangement of the previous year having been faithfully carried out as appears by the documents above referred to) the preliminaries of the larger arrangement agreed upon were adjusted, and operations continued and extended in accordance therewith; but in the absence of the Postmaster General the Commissioner of Crown Lands, acting for him, misunderstood the arrangement, misconstrued our position relative to the unorganised North-West Transit Co., which had never been in a position to commence operations, and made a contract with that company through parties assuming to act for it on pretences which proved to be erroneous.

It is needless that I should now enter upon the voluminous details of that transaction, [which are already before the Government] or animadvert upon it further than to state the fact that on application to the Court of Chancery, an injunction was granted to stop them from proceeding with the contract.

Had the parties who, in this case, assumed to act for the North-West Transit Co. succeeded in placing it in a position to make such a contract, this would not have altered our case, for, although no objection would have been made by us to a transfer on payment of

our outlay, the fact remained that the works were ours, paid for by us; [less amount advanced by Government] and the men at work and in possession were our workmen who were continued there from the previous year, with the knowledge, consent and approbation of the Government—in fact, as I might more properly say, and as the documents will prove, on joint account with the Government, pending the fuller organization of the enterprise.

I need not pursue the topic of that year's transactions (1860) any further than to point to the fact that a settlement of the question was deferred, first, to await the return of the Postmaster General; next, by the impossibility of getting on with such business during the progress of the Royal visit; while during the whole of this time our expenses ran on, and our working and mail parties were kept in the field west of Lake Superior, effecting some improvement and carrying irregular mails, on continued promises of a satisfactory arrangement, till the very close of navigation that year.

During the following winter (1860-61) the Government came to the conclusion (or at least certain members of the Cabinet intimated that they intended) to assume the enterprise as a public work, carry out the construction of the roads, &c., west of Lake Superior, on provincial account, and pay us off.

Mr. Dawson had mainly been negotiating for us, but at this time I visited at Quebec myself, and had the fullest assurance from various members of the Cabinet of the above arrangement, and that we would be paid off as soon as the estimates were passed; and I was informed that the Postmaster General had made a report to His Excellency in Council to that effect.

Nevertheless, towards the close of the session of 1861, we were informed that unforeseen difficulties had arisen in regard to carrying out the programme above referred to, but that our case would be taken up and our outlay paid for at the earliest moment possible.

Then followed the distraction of the general election, the further delay of the Postmaster General, through whom all reports on the subject were made, having to go a second time to election, so that it was only in the winter of 1861-2 that the matter was again taken up, when the Postmaster General required us to hand in a statement of our account, and he would at once report to the Governor in Council recommending its payment. This was done, but delays still occurring as to the form and amount of the account, it was agreed to pay us \$10,000 on account, which was done, as per O. C. of 10th April, 1862, to meet pressing claims, and leave the final settlement to arbitration, and the mode of that arbitration was being discussed between us when the administration fell. I have only to add that, although we have from time to time brought our case under their notice, we have not unduly pressed the new Government, because we had been given to understand that it was their desire and intention to promote the enterprise, and we were willing that they should have time to develop their policy.

A year having now elapsed, however, without any definite arrangement, I trust I may with some confidence of immediate action ask for a speedy settlement of our claim; but in doing so I beg at the same time (to relieve the Government from the labour of entering upon the details of our accounts) on behalf of myself and associates, to repeat the offer to submit the question of the amount due to independent arbitrators, which in fact is the only question at issue, the liability having been already acknowledged.

But, being aware that arrangements are in progress to enable a company with large means to carry out the enterprise, we are not desirous of unduly pressing the Government for payment, should it be deemed preferable that we should be paid by, or, in part amalgamate with, such company, and should it also be manifest that some such company will go into early operation. But in that case it is equally necessary that action should be taken to define our position in such a manner as to enable us to negotiate with any such company; and in evidence of our desire to promote the undertaking (protecting at the same time our own rights in whatever hands it may have the best prospect of immediate progress) we are willing that the Government should reserve the power of determining by themselves, or by arbitration, the amount that may be due us, in case we should be unable otherwise to come to an understanding with any such company.

Should the Government, however, instead of paying us themselves, prefer the latter course, we think that in view of all the circumstances, the long time we have been deprived of the benefit of our outlay, through official mistakes, the acknowledged fact of a

debt due to us, and some claims outstanding still pressing upon us, it would be but reasonable to pay us at least a few thousand dollars, as was done last year, on account.

Trusting that this matter will meet with your earliest attention,

I have the honor to be, sir,

Your most obedient servant,

(Signed,)

L. MOFFATT,
President.

To the Hon: M. H. Foley,
Postmaster General,
Quebec.

No. 5.

POST OFFICE DEPARTMENT,
Quebec, 25th August, 1868.

Memorandum on the Claim of the "Rescue" Company on account of the Red River Route.

From a consideration of the documentary evidence on file in this department, and supplied by Mr. Dawson, and of the Orders in Council passed on the subject, added to personal knowledge of the course of the transaction, it appears clear to the undersigned that the Association known as the "Rescue" Company was, from its initiation in 1858, encouraged at various times by the government of the day in undertakings having for their object the opening of a practicable route from Fort William, Lake Superior, to the Red River settlements, and the maintenance of a passenger and mail line of conveyance by steamboats, &c., between Collingwood and Red River,—and that in the prosecution of this enterprise the "Rescue" Company incurred a large expenditure, far exceeding such earnings as could have been realized from their traffic business, in addition to such aid as was, from time to time, obtained from the government,—and it is stated by the company that the final result has been a loss of \$23,728; and the company claims that, under the circumstances, and in view of the negotiations had with them as above adverted to, the government is bound to make good this loss.

That a balance of \$3350 remains at the disposal of government of an appropriation made in 1860 towards opening communication with Red River; and that, considering the national character of the enterprise undertaken by the "Rescue" Company, it would be but reasonable and just to pay this unappropriated balance to that company in further aid of their disbursements in effecting improvements on the Red River route, on condition that the said company accept this payment in full satisfaction of all claims against the government.

The "Rescue" Company further asks to be authorized to hold possession of any works they have expended money upon in opening the route from Fort William to Red River; and that if government authorizes any company to assume these works, that the "Rescue" Company shall be entitled to receive a reasonable compensation therefor from such company, to be determined by the Governor in Council, should any such company not agree as to terms with the "Rescue" Company,—and the undersigned is of opinion that it would be but just and equitable to accede to this request.

(Signed,)

W. H. GRIFFIN,
Deputy Postmaster General.

No. 6.

POST OFFICE DEPARTMENT,
Quebec, September 2, 1868.

In view of the circumstances mentioned in the annexed Report of the Deputy Postmaster General, the Postmaster General recommends that the sum of \$8,850, being the balance of the appropriation for 1860, be paid to the Rescue Company, provided that this

sum is accepted in full satisfaction and discharge by the Company of all claims and demands against the Government of every description, and in every and any event whatsoever, but without prejudice to any claim by the Company to be paid a reasonable compensation for their works by any new Company that may be formed for the prosecution of the enterprise. All of which is, nevertheless, respectfully submitted.

(Signed,)

O. MOWAT,
Postmaster General.

[Copy.]

No. 7.

COPY of a Report of a Committee of the Honorable the Executive Council, approved by His Excellency the Governor General in Council on the 8th September, 1863.

The Committee have had under consideration a report dated 2nd September, 1863, from the Honorable the Postmaster General, enclosing a memorandum of the 25th ultimo from the Deputy Postmaster General, on the subject of a claim made by the "Rescue" Company for losses alleged to have been sustained by them in their undertaking to open a practicable route from Fort William to the Red River Settlement, and the maintenance of a passenger and mail line of conveyance by steamboats, &c., between Collingwood and Red River.

The Deputy Postmaster General states, that from a consideration of the documentary evidence on file in that department, and supplied by Mr. Dawson, and of the Orders in Council passed on the subject, added to personal knowledge of the course of the transaction, it appears clear to him that the Association known as the "Rescue" Company was, from its initiation in 1858, encouraged at various times by the Government of the day in the above undertakings, and that in the prosecution of this enterprise the Rescue Company incurred a large expenditure, far exceeding such earnings as could be realized, in addition to such aid as was from time to time obtained from the government—and that it is stated by the Company that the final result has been a loss of \$23,728.11, and the Company claim that under the circumstances, and in view of the negotiations had with them, as above adverted to, the government is bound to make good the loss.

That a balance of \$3,350, remains at the disposal of the government, of an appropriation in 1860 towards opening communication with Red River, and that considering the national character of the enterprise undertaken by the "Rescue" Company, it would be but reasonable and just to pay this unappropriated balance to that Company in further aid of their disbursements in effecting improvements on the Red River route, on condition that the said company accept this payment in full satisfaction of all claims against the government.

The "Rescue" Company further ask to be authorized to hold possession of any works they have expended money upon in opening the route from Fort William to Red River, and that if government authorize any company to assume these works, that the "Rescue" Company shall be entitled to receive a reasonable compensation therefor from such company, to be determined by the Governor in Council should any such company not agree as to terms with the "Rescue" Company, he is of opinion that it would be just and equitable to accede to this request.

The Honorable the Postmaster General reports that in view of the circumstances mentioned by the Deputy Postmaster General, he recommends that the sum of \$3,350, being the balance of the appropriation for 1860, be paid to the "Rescue" Company, provided that this sum is accepted in full satisfaction and discharge by the Company of all claims and demands against the government of every description and in every and any event whatsoever, but without prejudice to any claim by the company to be paid a reasonable compensation for their works by any new company that may be formed for the prosecution of the enterprise.

The Committee advise that the recommendation of the Postmaster General be approved, and that a warrant issue in favor of Lewis Moffatt of Toronto, Esquire, as representing the Company, for the above sum of \$3,350.

Certified. (Signed,) WM. H. LEE, O.E.C.
The Honorable
the Postmaster General, &c., &c., &c.

Memorandum appended to foregoing.

I accept the within terms on behalf of the "Rescue" Company.

(Signed,) LEWIS MOFFATT

By his attorney. (Signed,) Wm. McD. Dawson.
Quebec, 11th September, 1863.

Upon this handed the warrant to Mr. Moffatt's attorney (Mr. Dawson).

(Signed,) W. H. GRIFFIN.

-11th September, 1863.

[Lord Monck to the Duke of Newcastle.]

No. 20.

EXTRACT.

QUEBEC, February 27th, 1863.

"I have also the honor to enclose for your Grace's information, a report of the Postmaster General of Canada, on the subject of postal communication through what is termed the North-West Territory with British Columbia, and a minute of the Executive Council founded upon it."

1st Session, 8th Parliament, 27 Victoria, 1863.

RETURN

To an Address, dated 20th April, 1863, for Copies of all Communications, Reports, Orders in Council, &c., &c., in relation to the opening of a route to Red River or to British Columbia and the Pacific, since last Session of Parliament.

Ordered, by the LEGISLATIVE ASSEMBLY, to be printed 22nd September, 1863.

Printed October 5th, 1863.

Hon. Mr. McGEE.

QUEBEC:

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monthly